

**Louisiana Housing Trust Fund
Frequently Asked Questions # 2
(FAQs)**

Question: We currently own the land we are building on-free and clear. There is no way to identify this under type of ownership on the application. How should I include it in my application?

Answer: Land value may be inserted under “Uses” on the Sources and Uses Spreadsheet of the Homeownership Application. An appraisal performed by an independent third party appraiser must be submitted to evidence the value of the land.

Question: We are acting as developer and contractor. Will we somehow be penalized for this?

Answer: No, Builder Profit and Developer Fees are allowed and the Developer Fees maybe shown on the Sources and Uses Spreadsheet under Soft Costs.

Question: Am I to understand that we can’t have interim financing to finance the construction of the homes?

Answer: Interim financing is allowed in the construction of Homes; however, leverage/match requirements will be based upon the permanent sources of funds.

Question: Is Continuum Care Region I Orleans parish?

Answer: Yes; refer to map on the LHFA website for region breakdown.

Question: Is LHFA using \$59,800 as the median income for Orleans parish as is HUD?

Answer: Yes; but household income limits must be adjusted for family size and the percentage of area median incomes selected by the applicant.

Question: Will LHFA accept a letter from the zoning department saying that the land is permittable rather than buying 20 building permits for a project we don’t know if we will be awarded funds yet? In New Orleans 20 permits will cost about \$9,000.00 in total.

Answer: Building permits are not required to be submitted at application. However, refer to Threshold #4, with respect to zoning.

Question: How can I demonstrate permanent financing on homes that have not been constructed yet and specific buyers have not been identified yet? Will LFHA accept a letter from a lender that is willing to work with my firm on this on a case by case basis for “soft second” buyers? We can’t get a permanent financing commitment from anyone if we don’t have a specific buyer on a particular lot.

Answer: The Homeownership application requires an applicant to specify by percentages of household income the households who will “immediately” purchase a completed unit. Please estimate the closing and other costs for each home to be constructed and sold to households within the applicable income limits.

Question: We know that building permits are not a threshold requirement; but we do wish to get the scoring points for having a permittable site. The city won’t give a for profit developer a waiver on permit fees, but they are willing to say that these specific lots are permittable. Can such a letter allow us to get the scoring criteria points without having to buy 20 permits at an average of \$440.00 each?

Answer: The Competitive Review Criteria specifically requires a “building permit” for the points; therefore, a letter saying that the site is “permittable” does not satisfy the scoring criteria.

Question: Can LHTF be combined with 4% credits and OCD’s CDBG Piggyback Program?

Answer: There is no prohibition against combining HTF with 4% credits and the 4% OCD’s CDBG Piggyback program.

Question: What constitutes a “Rural” area? Are St. Tammany Parish, Mandeville, or Covington considered entitlement communities?

Answer: “Rural” is defined as a non-entitlement area. Entitlement Cities" and "Entitlement Parishes" include the following: Alexandria, Baton Rouge, Bossier City, Houma, Kenner, Lafayette, Lake Charles, Monroe, New Orleans, Shreveport, Slidell, Thibodaux, Jefferson Parish, Lafayette Parish, and Terrebonne Parish

Question: Will the applications be rated against each other within the region where they are located and to which funds are allocated?

Answer: Yes, projects will be rated against other projects within their regions-except for the 30% set-aside for serving 30% AMI, which is a state-wide set aside.